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UNCLAS SECTION 01 OF 08 TEL AVIV 000194

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
USCINCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

E.O. 12958: N/A

TAGS: [IS KMDR MEDIA REACTION REPORT](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Israel: Acting PM Ehud Olmert

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Key stories in the media:  
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The media reported that according to results from a vote of Likud Central Committee members in Tel Aviv last night, the first names on the Likud's Knesset list will be party chairman Binyamin Netanyahu, outgoing FM Silvan Shalom, and Knesset members Moshe Kahlon, Gilad Erdan, Gideon Saar and Michael Eitan, Knesset Speaker Reuven Rivlin, outgoing Health Minister Danny Naveh and Knesset Member Yuval Steinitz. Although the top names on the list are generally associated with tough ideological positions, the key Likud "rebels" (including outgoing Education Minister Limor Livnat and Knesset Member Uzi Landau) were placed lower on the list. The media quoted Netanyahu as saying that the Likud's new team is "young and experienced."

Leading media reported that on Thursday, Acting PM Ehud Olmert and President Bush talked on the phone for the first time since PM Sharon's hospitalization. Ha'aretz quoted the President as saying that he has not forgotten the view of Jerusalem that Olmert showed him during his 1988 visit as Governor of Texas. The President reportedly told Olmert that Hamas must change its policy toward Israel and recognize its right to exist. Ha'aretz quoted Bush as saying that there cannot be peace with terror organizations, and that the PA must prove it can act against terror. Bush was quoted as saying that the U.S. is acting to establish democratic institutions in the PA that promote peace and not terror, adding that this was his position and he would not change it. Bush was quoted as saying that he planned to continue implementing his shared vision with Sharon for the peace process in the region. Ha'aretz cited Olmert's response that he would do everything in his power to promote that vision, "but it is important that the PA chair dismantle terror organizations, because otherwise it will be impossible to move forward with a government in which terror organizations are partners." Bush reportedly ended the call by expressing admiration for Sharon and said that when he wakes up, tell him his friend asked about him. Various media cited different parts of the telephone call. Maariv and Hatzofe quoted Labor Party Knesset Member Yitzhak Herzog as saying that Olmert's reported invitation to the White House is a blatant intervention in the Israeli elections. Israel Radio reported that Vice Premier Shimon Peres will leave for the U.S. during the weekend to meet with Secretary of State Condoleezza Rice.

Israel Radio reported that this morning, Olmert met with U.S. envoys A/S David Welch and Deputy U.S. National Security Advisor Elliott Abrams, and that they discussed the upcoming elections in the PA and raised concerns that Hamas could win a majority and even strive to form the next Palestinian government. The

station reported that top Sharon aide Dov Weisglass, the PM's Diplomatic Adviser Shalom Turgeman, the PM's Military Secretary Maj. Gen Gad Shamni, and U.S. Ambassador to Israel Richard Jones, attended the meeting. Yediot quoted Hamas's most prominent leader in Gaza and the West Bank, Mahmoud Zahar, as saying Wednesday in an interview with The New York Times that his faction would refuse to recognize Israel or disarm even if it won in the Palestinian elections this month. Major media cited similar statements by other Hamas leaders.

All media reported that on Thursday, the Likud ministers caved in to party head Binyamin Netanyahu and one by one announced their resignation from the cabinet. Leading media reported that Olmert will name current Justice Minister Tzipi Livni foreign minister on Sunday. Israel Radio said that this precluded the possibility that Vice Premier Shimon Peres could be foreign minister during the period leading up to the elections.

Ha'aretz reported that since the second week of December 2005, the IDF has severed the northern part of the West Bank from other parts, and prohibited residents from traveling toward Ramallah. The newspaper said that the ban applies to some 800,000 people, residents of the Tulkarm, Nablus, and Jenin provinces. Until January 2, the ban applied just to residents of Jenin and Tulkarm. Since then it has been extended to Nablus area residents.

Leading media reported that on Thursday in Jenin, IDF troops killed two wanted Islamic Jihad activists. Israel Radio reported that last night, two Katyusha rockets were fired into Israel, and that the IDF responded with artillery fire at the northern Gaza Strip.

Ha'aretz, The Jerusalem Post, and other media reported that on Thursday, Defense Minister Shaul Mofaz decided to postpone the evacuation of the settlement outpost of Amona, near Ofra, for another two weeks. Mofaz cited a pending High Court of Justice petition and the PA legislative elections as reasons for his decision. Media also reported that Mofaz ordered the dismantling of three Nablus-area outposts -- the Aroussi Farm near Bracha, the Skelly Farm near Elon Moreh and Hill 725 near Yitzhar -- to proceed. A few dozen settlers live in these three outposts, and the evacuations will probably take place next week. Ha'aretz wrote that Mofaz's decision is apparently due partly to U.S. pressure and partly to the desire of Mofaz's party, Kadima, to paint itself as tough on enforcing the law in the territories. Ha'aretz reported that on Thursday, the army demolished four foundations for prefab houses that had been built without a permit in the settlement of Rahelim. Ha'aretz quoted Mofaz associates as saying that the Minister is particularly anxious to move against the three Nablus-area outposts, because many Palestinian olive trees in their vicinity have been vandalized, and the government has decided to crack down on the vandals.

Israel Radio reported that eight Knesset members from the Shinui party, including party leader Yosef (Tommy) Lapid, who was elected to the first slot on Shinui's Knesset list, and Knesset Member Avraham Poraz, quit the party last night, after the party council confounded predictions on Thursday by ousting Poraz, one of Shinui's founders, from the No. 2 slot. In second place, the council chose Ron Levinthal, a Tel Aviv city councilman who has led the party's internal opposition to the Lapid-Poraz duo. The media also reported on the results of internal elections in two right-wing parties: Moledet leader Knesset Member Benny Elon was elected No.1 by the party's council members and will head the joint National Union list. Knesset Member Aryeh Eldad came in second in the Moledet vote. In the National Religious Party's central committee vote, party chairman MK Zevulun Orlev was automatically placed first. Nissan Slomiansky came second.

Major media reported that on Thursday, U.S. Evangelical leader Pat Robertson sent a letter of apology to PM Sharon's son, Omri Sharon, for his remarks last week that PM Sharon's stroke was divine punishment for the Gaza withdrawal.

A senior IDF officer was quoted as saying in an interview with The Jerusalem Post that the behavior and actions of extremists Jewish groups operating in Samaria (the northern West Bank) pose a far greater threat than terror actions to the people of Israel.

Maariv quoted Lebanese parliamentarian and Druze leader

Walid Jumblatt as saying that the Sheba Farms belong to Syria -- contrary to claims by Hizbullah.

Yediot reported that on Thursday, the U.S. administration issued an ultimatum to Iran, warning it that it could incur severe sanctions if it does not stop development work at its nuclear facilities. The newspaper noted that for the first time, European countries and Russia endorsed the U.S. move. The Jerusalem Post quoted Foreign Ministry Spokesman Mark Regev as saying: "Israel supports the European position."

Leading media cited a Bank of Israel statement issued Thursday that the New Israeli Shekel is on its way to inclusion in the list of currencies exchangeable through the Continuous Linked Settlement (CLS), allowing real-time shekel exchanges involving banks around the world at any time.

Maariv reported that on Thursday in Tel Aviv, the police's IPR unit raided the largest factory of counterfeit CDs in Israel.

The Jerusalem Post quoted visiting U.S. Congressman Tim Ryan (D-OH) as saying that the U.S. should follow Israel's lead in hi-tech support. The newspaper printed a picture of Ryan with Ambassador Jones and Akron, OH, Mayor Don Plusquellic, at the Ambassador's Residence in Herzliya.

The Jerusalem Post reported that the two largest firms in the U.S. specializing in Israeli companies -- Shibolet, Yisraeli, Roberts & Zisman one on side, and Heiman Law Group on the other -- have merged as the partners look to exploit the ever increasing activity of Israel companies in the country.

A Yediot/Mina Zemach (Dahaf Institute) poll:

- "Were elections for the Knesset held today, for whom would you vote?" (Results in Knesset seats -- in brackets, results of previous poll; if no results in brackets, the results were unchanged.)  
- Kadima 42 (39); Labor Party 17 (21); Likud 13 (14); Shas 10 (11); Arab parties 8 (7); United Torah Judaism 6; Yisrael Beiteinu 6; Meretz 5; National Union 5 (6); Shinui 4; National Religious Party 4.

Maariv printed the results of a TNS/Teleseker Polling Institute survey conducted on Thursday:

- "Were elections for the Knesset held today, for whom would you vote?" (Results in Knesset seats -- in brackets, results of previous poll; if no results in brackets, the results were unchanged.)  
- Kadima 43 (41); Labor Party 17 (18); Likud 16 (14); Shas 9 (11); United Torah Judaism 9 (11); Arab parties 7; Yisrael Beiteinu 5 (4); Meretz 5; National Union 5 (6); Shinui 4 (5); National Religious Party 4 (3).

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Israel: Acting PM Ehud Olmert:  
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Summary:  
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Diplomatic correspondent Shimon Shiffer wrote in mass-circulation, pluralist Yediot Aharonot: "The American choice of Olmert stems primarily from their understanding that he is the authentic successor of Sharon, the great and ultimate friend of Bush, Cheney, and Rice."

Washington correspondent Nathan Guttman wrote in the conservative, independent Jerusalem Post: "The interest the U.S. began to show in Olmert was part of its effort to understand Sharon himself, not to look at possible successors."

Senior columnist and chief defense commentator Zeev Schiff wrote in independent, left-leaning Ha'aretz: "[Ehud Olmert] will get a historical opportunity to implement what is very important for Israel: maintaining its Jewish and democratic independence, and guaranteeing its security."

Block Quotes:  
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1I. "American Aid"

Diplomatic correspondent Shimon Shiffer wrote in mass-circulation, pluralist Yediot Aharonot (January 13): "Olmert, as in an ancient rite of passing the torch from one tribal chieftain to another, said [in his phone conversation with President Bush on Thursday] that he would do his best to promote the 'Bush-Sharon

vision.' In the American view, Olmert passed his first foreign policy test this week with full success, in the decision to permit the East Jerusalem Arabs to participate in the Palestinian parliamentary elections. In closed conversations, Olmert says that he acted precisely according to the secret understandings that were reached on this matter between Sharon and the White House.... The White House has already decided to invite Olmert for talks with President Bush in February, even before the Knesset elections. [U.S.] administration officials explain that behind the invitation stand issues that cannot be delayed: Iran's efforts to attain nuclear arms, the outcome of the elections in the Palestinian Authority and the situation on the northern border with Hizbullah and Syria.... The American choice of Olmert stems primarily from their understanding that he is the authentic successor of Sharon, the great and ultimate friend of Bush, Cheney, and Rice. And there is also another reason, which is Washington's opinion of the other two candidates. Officials in the U.S. capital view Netanyahu as a controversial figure. 'He is unpredictable,' say sources in Washington. As for Amir Peretz -- he is perceived by several White House officials as 'an oddity, half a Communist, something like John Sweeney, secretary of the labor unions in the United States.'"

## II. "How America Sees Israel's Acting Prime Minister"

Washington correspondent Nathan Guttman wrote in the conservative, independent Jerusalem Post (January 13): "A week after the completion of Israel's withdrawal from Gaza, Ehud Olmert -- then ministry of industry, trade and labor -- was invited to Washington for what was described as a 'personal meeting' with Secretary of State Condoleezza Rice.... The interest the U.S. began to show in Olmert was part of its effort to understand Sharon himself, not to look at possible successors.... Olmert gained recognition by the Americans as a significant player in the Israeli policy field only after the disengagement plan was presented. Yet the U.S. administration never paid attention to Olmert as a possible leader of Israel, assuming he lacked public popularity because of a reading -- true at the time -- of internal Likud politics. In the week and a half since Sharon's hospitalization, the U.S. administration has been scrambling to figure out Olmert. Sources in touch with administration officials say that Olmert is perceived in America as a worthy candidate -- a pragmatic centrist who, if elected, will continue in Sharon's path toward a two-state solution -- albeit one who lacks Sharon's power.... Now, with Sharon out of the picture, Olmert has less than three months to cultivate the same kind of relationship with Bush that Sharon enjoyed -- in order to capitalize on it in the March 28 elections."

## III. "Olmert's Strategic Options"

Senior columnist and chief defense commentator Zeev Schiff wrote in independent, left-leaning Ha'aretz (January 13): "Israel's next prime minister will apparently be the head of the Kadima party, Ehud Olmert.... After the elections, the government he heads will confront a number of options. Each will dictate a different strategy. One possibility is that the Palestinians will continue the terror. The Israeli government will wait for the fulfillment of the road map by the Palestinians, and meanwhile will react with military moves. Washington will consider that a defensive war, but will demand that Olmert fulfill Sharon's promise to dismantle the illegal outposts and stop the expansion of the existing settlements.... Another strategic option, which is more difficult to carry out, and therefore has less of a chance, is to aim directly for a final status agreement.... The third strategic option brings Olmert and the Israeli government back to unilateral moves. With this option, Israel will try on its own to determine the temporary borders, which are mentioned in the Roadmap, vis a vis the Palestinian entity, which will later become a state. Israel cannot do this without additional withdrawals, or only by means of a security fence and separation. This means that first of all, there has to be a withdrawal from isolated settlements and illegal outposts. And later, there must be a withdrawal from Arab neighborhoods in East Jerusalem. That is very far from what Olmert was once willing to accept, as a Likud man. This time, he will get a historical opportunity to implement what is very important for Israel: maintaining its Jewish and democratic independence, and guaranteeing its security."